

Credit Suisse Global ESG Investment Principles

Asset Management and Investment Solutions & Products

Introductions

At Credit Suisse Group (also referred to herein as “Credit Suisse” or “the Bank”), a publicly listed Swiss corporation, we believe that a responsible approach to business is a key factor in determining long-term success. We believe that an appropriate and disciplined consideration of Environmental, Social and Governance (“ESG”) principles consistent with our fiduciary duties, along with traditional research, due diligence and analysis, contributes positively to the management of certain investment strategies and associated risks.

In addition to complying with the professional standards and ethical values of our [Code of Conduct](#), we strive to assume our corporate responsibilities in every aspect of our work. We do so based on our broad understanding of our duties as a financial services provider and employer, as an integral part of the economy and society, and our commitment to protecting the environment. Our approach to corporate responsibility is further detailed in our annual [Corporate Responsibility Report](#). Consistent with these core values, and to further elaborate on our efforts around ESG, these Credit Suisse Global ESG Investment Principles (“Principles”) have been developed jointly by the Impact Advisory and Finance Department (“IAF”), Credit Suisse Asset Management (“CSAM”), and Investment Solutions & Products (“IS&P”).

The Impact Advisory and Finance Department brings together Credit Suisse’s extensive impact investing and sustainable finance efforts globally in one organization. Combining Sustainable Investment, Impact Investing and Green Finance, IAF’s mandate includes not only facilitating projects and initiatives but also providing investment advisory services with positive economic and social impact, as well as generating attractive risk adjusted return. Therefore, IAF seeks to benefit wealth management, institutional and corporate clients in considering investment strategies that follow ESG factors, as well as help to close the financing gaps identified by the United Nations’ Sustainable Development Goals (“SDGs”).

Credit Suisse Asset Management is the Asset Management business of Credit Suisse Group. Credit Suisse Asset Management is comprised of investment units with highly specialized product expertise in traditional investments, alternative investments, real assets, and passively managed investment strategies. Credit Suisse Asset Management also manages separately managed accounts, mutual funds and other investment vehicles for governments, institutions, corporations and individuals worldwide. Our investment strategies encompass a broad range of asset classes, and we seek to offer a complete spectrum of solutions.

Investment Solutions & Products is part of the International Wealth Management Division of Credit Suisse Group. IS&P provides a globally consistent Credit Suisse House View and investment recommendations and fully integrates the views in the investment process of its Discretionary Asset Management activities in Investment Management and other IS&P business units. IS&P leads the product management and selection (funds and alternatives), advances the offering delivery platforms, develops the global advisory process, and elevates the visibility of Wealth Planning services (including CS Trust).

ESG Factors

Credit Suisse takes a comprehensive approach regarding ESG factors, taking into account various topics reflecting the overall values of ESG, including, as applicable: human rights, labor standards, climate change, biodiversity conservation, health, social equity, development, and transparent corporate governance. Moreover, Credit Suisse has adopted the prohibitions of the Swiss Federal Act on War Material for global application, and as a result, excludes securities of anti-personnel mines and cluster munitions producers from its actively-managed investment strategies.

In addition, Credit Suisse is a signatory of the Principles for Responsible Investment (“the PRI”) – a voluntary, investor-led framework which helps signatories collaborate and better understand the implications of sustainability and incorporate ESG information into investment decisions. We believe the approach to responsible investment set out in this document aligns with the PRI.

Environmental and Social Factors

In the context of ESG investing, the terms “environmental and social” have become a catchall phrase that outlines different factors under different circumstances for different stakeholders. For Credit Suisse, the term “sustainability” means economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs¹. The [Credit Suisse Statement on Sustainability](#) explains our aims with regard to balancing economic, environmental and social issues as they relate to the activities of the Bank.

We believe environmental and social factors span a range of distinct issues that issuers of securities may be faced with (e.g. water contamination and use; habitat depletion, fragmentation and degradation; carbon emissions; worker and community health and safety; fair labor practices; diversity; lifecycle impacts of products and services, etc.). The social and ecological consequences and associated financial materiality of these issues can vary by sector, industry and physical asset(s).

Corporate Governance Factors

We believe that ESG issues are topics of long-term governance, and that well-managed companies will create long-term shareholder value. At Credit Suisse, good corporate governance means that a publicly listed company:

- Has an appropriately composed Board
- Respects ownership and shareholder rights
- Treats shareholders equitably
- Actively manages the environmental and social aspects of its business
- Identifies and communicates material issues to shareholders and other stakeholders

¹ Based on the report “Our Common Future”, published by the United Nation’s World Commission on Environment and Development in 1987 (<http://www.un-documents.net/wced-ocf.htm>)

Scope and Approach

At Credit Suisse, we view ESG investing as broadly grouped in three categories, which can be blended depending on the investor's motives.

Motive	Approach	Explanation
Align investments to values/ ethical choices	Negative/ exclusionary, values and norms-based screening	Investors determine what type of activities and/or companies should be banned.
Improve risk/ return profile	Integration of ESG factors and application of positive or best-in-class screening	Integration of non-financial sustainability factors in investment processes to identify market mispricing, as applicable
Positive impact on environment and/or society	Impact and/or community investing	Measurable and positive impact on society and/or environment through a variety of structures (e.g. PE & VC, conservation finance, microfinance, etc.)

At Credit Suisse Asset Management and IS&P Investment Management, consistent with their fiduciary duty obligations, certain investment boutiques and strategies will consider ESG issues and factors, where appropriate, as an integral part of the investment process. For example, certain investment units focus their ESG investing on the identification, screening and/or integration of environmental, social and corporate governance considerations into investment management processes and ownership practices. Integration is broadly defined to take account of the different ways in which investment organisations consider ESG issues (such as screening, fundamental analysis, and thematic analysis).²

Credit Suisse Asset Management and IS&P offer investment strategies across various asset classes, including but not limited to, traditional investments, alternative investments, real assets, and passively managed investment strategies. Given the number of investment areas and a range of investment strategies adopted, the approach to ESG integration varies across asset classes and locations according to market norms, practical applicability, client needs and applicable laws and regulations.

Active Ownership

Engagement

For certain strategies within Credit Suisse Asset Management and IS&P, we may seek to engage in dialogue with company management through our investment analysts and portfolio managers, who may, depending on the strategy and client needs, discuss ESG factors.

Many of our engagements are bilateral in nature, although, on a discretionary basis, we may take an active role in industry initiatives within the financial sector or certain client industry groups. In such instances, the relevant business involved may engage collectively with other investors, investment managers and/or banks where such actions are not prohibited by law or regulation and where there are client benefits.

Credit Suisse also maintains and values relationships with a diverse range of environmental and human rights focused civic society groups.

Credit Suisse Asset Management has a fiduciary duty to exercise voting rights in the best long-term interests of our clients, when such rights or authority have been granted to Credit Suisse Asset Management. Credit Suisse Asset Management has adopted procedures and processes in multiple jurisdictions to implement proxy voting principles to the extent required by law.

² UNPRI, UNGC, UNEPFI, UNEP Inquiry (2016). [Fiduciary Duty in the 21st Century](#).

Internal Governance

The day-to-day application of these Principles is supported by a working-level committee and specialists within IAF, Credit Suisse Asset Management and IS&P in each of the respective regions that focus on practical implementation and integration matters, identify trends and new developments, suggest adjustments to these Principles, and escalate strategic matters to a senior governing body.

Reporting and Disclosure

The primary disclosure of our overall approach and performance concerning ESG integration is through Credit Suisse's annual submission to the PRI.

Credit Suisse features in numerous ESG / Sustainability ratings, including CDP, DJSI (RobecoSAM), MSCI ESG Rating, and Sustainalytics. While we may, on a case-by-case basis, entertain approaches by other rating agencies, our comprehensive reporting via PRI currently form the core of our ESG reporting and disclosure efforts.

Information on the above and concerning other general ESG and Sustainability developments across the Bank and in the markets can be found on our dedicated [corporate responsibility](#) webpages.